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ABSTRACT

This paper presents the remarks of the President of Indiana University (IU) concerning the state of the university in 1995. It discusses excellence in education and research at IU, noting the contributions of various nationally-recognized faculty, graduates, and current students. The speech also reviews the rapid growth of IU in recent decades, focusing on the institution's budget, state financial support, voluntary support, and academic programs, as well as state and national trends affecting universities in general and IU in particular. It outlines the Strategic Directions project, which is designed to improve the quality of education at IU through emphasis on teaching and research excellence, educational partnerships, institutional responsibility and accountability. The speech concludes by addressing the issue of centralization versus decentralization among IU's campuses, schools, departments, and support units. (MDM)

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State of the University

Myles Brand

September 12, 1995

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State of the University
Myles Brand
September 12, 1995

As I meet with alumni and other friends of the University, I tell them with pride that I have been 'Hoosierized.' I have spent the greater part of my professional life in the Midwest, and I feel attuned to the values and perspectives of this region of the country. Indiana, of course, is a little different from other Midwestern states, indeed interestingly unique. Peg and I are overjoyed to be able to call Indiana home, and to be part of this outstanding, world-class institution of higher learning.

My first year as president was exciting because of the many terrific people—faculty, staff, students and alumni—with whom I met, each committed to Indiana University. There is no better university family than IU's, bar none. I want to make special mention of our Board of Trustees. In an era of growing alienation between universities and the boards that govern them, Indiana University is most fortunate to count nine people who individually and collectively give selflessly of their time and energy for the advancement of the university. As president, I see evidence of their good works daily and, on behalf of the entire university, I want to thank them and say that they are each greatly appreciated.

My first year was also challenging. Indiana University is a highly complex organization. I doubt that there is a single university that is more complex. One challenge was to come to understand IU well enough to help it take the next steps in its evolution, building on its history, traditions, and strengths. Another challenge,

the primary one, is to assist the university community in determining where our best future opportunities lie. I have only begun to deal with this challenge. I am fully aware that this is a community effort, one that will take time and collaboration. And so, I have worked with many persons: Trustees, faculty, administrators, staff, and students—hundreds, really—in helping plan for our future. This is the Strategic Directions project, about which I expect you have heard and will no doubt hear a great deal more in the next few years.

I will return to this planning process and its preliminary results in a moment, but first I want to address a question that is a prolegomena to any such plan, namely, why change at all? IU is already one of the great institutions of higher learning. Why try to alter things?

Excellence

The reason Indiana University is one of the great universities is clear and straightforward. IU's greatness results from the work of an outstanding and committed cadre of faculty and staff, now and in the past. Fundamentally, a university is people. And while we praise, quite appropriately, the beautiful residential campus in Bloomington, the lovely country setting of our New Albany campus, and the dynamic urban campus in Indianapolis, as well as other campus settings, the truth is that it is the people on all these fine campuses who make the difference.

We have every right to be proud of IU's faculty, and to announce to the world their excellence in teaching, research, creative work, and professional service. Let me hold up just a very few of many wonderful examples: One is **Gary Hieftje,** of the Bloomington chemistry department, who has received every major national honor awarded by the American Chemical Society, and who includes in his lab, working beside him, not only graduate students but many undergraduate students as well, and sometimes high school students. **Charles Parmenter,** professor of chemistry, and **Richard Shiffrin,** professor of psychology, were both elected to the National Academy of Sciences for lifetime research achievements. **Susan Gubar** of the IUB English department is an internationally influential scholar of literature by women; and **Yusef Komunyakaa**, also of the English department, is a Pulitzer Prize-winning poet. Both are superb and inspirational classroom teachers.

Kenneth Cornetta, in the School of Medicine, is a geneticist whose laboratory has been named as one of only three medical genetics laboratories to be funded by the National Center for Research Resources to produce vectors for research in gene therapy. **Mary Dinauer,** professor of pediatrics, recently received the Excellence in Pediatric Research Award given by the American Academy of Pediatrics for her work on inherited immune deficiency. And **Laura Jenski** and **William Stillwell,** of the IUPUI School of Science, are nationally recognized for their work in membrane physiology as it relates to cancer.

Among other examples: Professor **Deborah Finkel,** a psychologist at IU

Southeast, spent last summer in Sweden on a Fulbright grant that supports her research on the influence of genetic factors on cognitive ability. **Paul Marer,** of the School of Business, is a leader in helping the Hungarian government transform Hungary from a socialist to a capitalist economy. **Alexander Toradze,** Martin Chair of Piano at IU South Bend, is so superb a teacher that his students have gained first prize in four major international piano competitions in the past year alone. Professor of Education **Richmond Calvin,** also of IUSB, embodies the service role of Indiana University through his extensive efforts on behalf of at-risk children, carried out with students, teachers, and parents in the South Bend public schools, and with statewide organizations.

More examples: Professor of Political Science **Van Coufoudakis,** at IPFW, brings the world into his classroom through his international expertise and experience in the current politics of Cyprus and Turkey, and manages to do this while wearing several administrative hats. **Jon Kofas,** professor of history at IU Kokomo, a scholar and teacher *par excellence,* has spearheaded the IUK honors program, helping to advance the overall quality of that campus. Professor of History **George Blakey** at IU East, mesmerizes his students and is remembered by generations of graduates for the inspiration and excitement of his teaching. At IU Northwest, **Ruth Needleman,** professor of labor studies, enriches her students' understanding with her insights into complex contemporary labor issues, an expertise that has gained her a national reputation.

I could go on for a very long time in this vein. I underscore that these are just a few examples from the broad spectrum of our superb faculty whose excellence is the heart and soul of Indiana University. As essential as faculty members are to the quality of the university, however, their success is not achieved alone. Behind the scenes and often without much fanfare, staff support builds and sustains the university. For example, I credit **Don Weaver,** Director of State Relations, for his significant role in building IU's rapport with the Indiana legislature, resulting this year in an increase in our funding—not all that we asked, but much better than we might have done otherwise. **Ray Casati,** as university architect for more than four decades, has guided the development of the university as a coherent and complementary architectural whole across eight campuses. **Tally Hart,** director of scholarships and financial aid at IUPUI, and now acting university director for financial aid, is well respected nationally in her field and possesses a talent for encouraging students and smoothing their way through a complicated process.

But in the final accounting, the single best measure of a university's excellence is the success of its students and alumni. When one strips away all the quantitative measures, such as the number of classes taught by a faculty member or the number of students per adviser, the fundamental <u>qualitative</u> measure of our success is how well our students do while they are enrolled, and later as they use their education throughout their lives. And our graduates have done well, indeed, from violinist **Joshua Bell** to news anchor **Jane Pauley,** from assistant to the

governor **Lynette Farrell**, to former Ford Motor CEO **"Red" Poling**, and from U.S. Congressman **Lee Hamilton** to former Secretary of Health and Human Services **Otis Bowen** to college president and affirmative action leader **Gloria Randall Scott.**

Among current students we have many superstars. I mention just a tiny number among all who could be cited, young people who illustrate the excellence of IU students, in the classroom and beyond: **Ryan Kitchell**, an IUB senior in economics, is president of Mortar Board, member of Blue Key, member of the United Way Steering Committee, student in the demanding LAMP program, and still manages a 3.9 grade-point average; **Robert Iglinski**, an outstanding swimmer and prospective business major, was named an Academic All-American last year—his freshman year. **Akesha Horton** just graduated from IU Northwest a couple of weeks ago with a degree in mathematics. Akesha entered IUN directly out of high school and received the prestigious Bank One Scholarship. In her four college years she remained at the top of her class, coordinated student volunteer and community service, worked part time in Gary high schools as a counselor in the Career Beginnings Program, and tutored other IUN students in the writing lab. Now she is teaching mathematics in the Gary schools and also teaches an introductory algebra class at IUN.

IU is a great university because of its truly excellent faculty and staff, students and graduates. We can and should proclaim our excellence forthrightly. Unfortunately, the quality of this institution is not as well known as it should be.

We need to tell our story better. As part of the marketing initiative of the Strategic Directions project, we will ensure greater visibility for IU, statewide, nationally, and internationally.

Why have IU people achieved so much? The simple answer is that they are smart and they work hard. Indiana University has an admirable tradition of attracting the best people, welcoming them into the university community, and retaining them. But there is more to the answer than that. Faculty members and staff have a history of being at the forefront of change. IU faculty are blazing the paths for others to follow in medical science, in nuclear physics, in the creative arts, in education, nursing, business administration, biology, language teaching, literary scholarship, and in a host of other areas that have important benefits for our society, our culture, and our economy.

Of course, leadership and pushing forward the boundaries is not new at IU. It has always been part of our history. **Herman B Wells**, as president, set a national standard for administrative support for academic freedom when he held fast in the face of widespread public attacks on Alfred Kinsey for his pioneering research on sexuality. In another arena, Dr. Wells believed that a great university should be a place of richness in the arts. He put that conviction into action, and now the IU School of Music is ranked first in the world, the IU Art Museum is among the top university art museums, and we have superb programs, as well, in theatre, fine arts, and film on our campuses. Herman B Wells continues today to be an inspiration

for Indiana University.

Indiana University has achieved true excellence in the course of a long history. That achievement has taken place in an ascending process, building at each step on earlier strengths. Excellence is not a steady state that never alters. It is not a plateau that, once reached, offers no further heights. Excellence, rather, is an ongoing dynamic process. It is our collective responsibility now to continue this process. The one constant in IU's history is that we have continued to change in order to sustain excellence.

Change

The environment for higher education today demands that we change. In order to remain high among the nation's leading universities, we must adapt to this new environment. We must change not because we have been doing things badly; in fact, our approaches in the past have been very successful. Rather, the environment in which we work has changed, and if we do not have the flexibility for these times, our success and leadership will diminish.

Of course, we should not change haphazardly. Many of our best practices will continue to be successful in the future. We must find avenues that lead forward from these successful practices, and we must do that in a considered way. That is why we established an extensive strategic planning process, involving more than

250 faculty, staff, students, alumni, and others, divided into eight task forces. That is why we will spend time in reviewing the work of the task forces before asking the Trustees to charter our new directions.

IU is not the same university it was in 1820 or 1920, in 1940 or 1960, or even a decade ago. In 1940, for example, IU enrollment was 12,000; it increased to 43,000 in 1965, and today it is 93,000. Our faculty have increased during the same period from 300 in 1940 to 6100 today. Small extension sites, sometimes using surplus government or school buildings, have matured into strong campuses that offer tremendous resources for their regions. The most dramatic change has been in Indianapolis; within the brief span of twenty-five years, IUPUI has developed into the leading urban university in the country, with an extraordinary medical center and an array of excellent undergraduate, graduate, and professional programs.

In fiscal matters, IU's annual budget has risen from $4.1 million in 1940 to $1.7 billion today. Our research funding has expanded from less than $1 million in 1940 to almost $200 million today. Indiana University's friends have also been very generous in supporting our success. The IU Foundation was first incorporated in 1936, and by 1940 had assets of $43,000. Assets rose to $6 million in 1965, and today we have an endowment of over $450 million. Last year, Indiana University raised more than $100 million in total voluntary support—6th among public universities in the country, and 15th among all universities, public and private.

IU's academic scope has changed, too, over these years. In keeping with broad

trends of intellectual change, IU has developed new fields—molecular biology, women's studies, and cognitive science are examples—and traditional disciplines have evolved new methodologies and areas of focus. We need only ask faculty members who have been teaching for a few decades about the dramatic disciplinary changes they have seen.

Teaching also is changing, though not as quickly. The lecture and discussion format, in use since the days of the Academy and the Lyceum, is still prominent, but new technologies are increasingly used, from distance education and the World-wide Web, to enhanced student/teacher interactions by e-mail.

These are positive changes. But there are also problematical external changes, and one that should concern us is a shifting public perspective. Public views of the value of higher education, along with the importance assigned to higher education by elected officials, have been on the wane for several years. This trend is mirrored in the downward slide of public funding. In the 1940s, half of IU's budget came from the state; by 1965, it had fallen to a third, and today less than a quarter of our budget comes from the state. Overall, the proportion of the state's budget for all of higher education in Indiana was over 18% in the mid 1970s; today it is only 15.3%—reflecting a decline of 17% in higher education's share of our state's resources. Other needs of the state take precedence now, among them, the public schools, the criminal justice and prison system, entitlement programs, and health care.

We have been compensating for these proportional budgetary losses by raising tuition, containing costs, increasing efficiency, and reallocating funds. These approaches will need to continue, but they have distinct limitations. We must guard particularly against tuition increases that make us less accessible to Indiana citizens.

Our volatile financial situation is exacerbated by the current attempt of Congress to balance the national budget in haste—and presumably to regret at leisure. Congress is likely to approve cuts in financial aid this year to graduate students through the elimination of subsidies that pay the interest on loans while the student is still in school. There is a very real threat that in the near future this subsidy will also be eliminated for undergraduate students. And other financial aid and loan programs are on the chopping block. Clearly, we cannot keep balancing our budgets on the backs of students.

Similarly, Congress is re-examining its commitment to research and creative work. All funding agencies, from the National Science Foundation to the Department of Education, and certainly the National Endowments for the Arts and Humanities, will likely experience substantial cuts over the next several years. This means that competition for funding dollars will increase, and IU must position itself still better to compete successfully in the future.

In sum, if we are to sustain the excellence that characterizes Indiana University, we will have to become more creative and entrepreneurial. The world

we face in the future will be one of fiscal constraint and increasing demands for accountability. We may lament these trends, but if we ignore the realities, we put ourselves at risk.

Please do not misunderstand. I do not mean to suggest that Indiana University is at risk of downsizing like some mega-corporations. The risk, rather, is in permitting a downward spiral that culminates in the loss of our leadership position and our traditional excellence. The bottom line is: change or be changed.

Strategic Directions

The Strategic Directions project is our best opportunity to meet these challenges and to engage the university community in shaping our future. Given our large and diverse university community, it is unlikely that everyone will agree about everything we should do. It is good that many voices are heard. But once the arguments have been made and positions debated, action must be taken. We should not be precipitous in charting our future, but neither must we let debate metamorphose into indecision.

For eight months now, we have been engaged in the Strategic Directions project. Importantly, one critical issue was never in dispute: we stand by our obligations as a public university. Other major public universities—in California, Florida, Michigan, Oregon, and Virginia, for example—are adapting to external conditions by mimicking private universities: raising tuition prices for resident

students and in other ways forsaking their responsibilities to their home states. Indiana University does not follow that drummer. By contrast, we are reaffirming our obligation to the citizens of Indiana by becoming more public, not more private, by strengthening our ties with our state, and continuing to provide learning opportunities at a high-quality university based on native ability and motivation and not on family wealth.

I have used the phrase 'America's New Public University' to evoke this commitment, with its inherent goals and values. Let me describe what I mean by that phrase:

"America" denotes that the history and character of Indiana University are grounded in the traditions of American higher education. America's universities are the best in the world. We have achieved this distinction by developing as total learning communities. The best education takes place when knowledge is not only conveyed but discovered. America's universities owe much of their success also to the government's decision, shortly after World War II, to focus research and development on university campuses. This approach, which pushes universities to the forefront of intellectual discovery and economic development, while serving also as a port of entry for social and class mobility, is distinctively American.

"New" denotes that we will build on our traditions of excellence in ways that are responsive to the changing environment. We will enhance our partnerships with schools, businesses, industry, and governmental agencies, and other

organizations in order to meet important goals that we cannot achieve alone. The consolidation of the IU Hospitals with Methodist Hospital in Indianapolis is a prime example of such partnerships. We will also create new operational approaches that will enable us to succeed under the pressures of fiscal constraint and demands for accountability.

"Public" denotes that we reaffirm our obligation to Hoosiers and our role as the port of entry to a high quality of life for a widely diverse population. Access, respect, and opportunity for all continue to be among our chief commitments. We want all citizens of the state and the country to take great pride in IU. It is a university that Hoosiers and their predecessors have built over 175 years. Our expertise, our cultural riches, our ongoing successes result from the investment and support of the state and the nation, and we should acknowledge and praise our parentage.

"University" denotes that we are a learning community, a place where not only students learn, but also faculty members learn through their research, their teaching, and their creative work. "University" also signifies that we are a single institution geographically distributed—a single university composed of campuses with complementary missions. More on that in a moment.

The key question becomes, then: How will we develop an action plan based on this broad description of our future as America's New Public University? What, precisely, is to be new, reshaped, or emphasized? The Strategic Directions Charter,

derived from the work of the eight task forces, will be the guide. Thousands and thousands of hours of hard thinking and discussion are being devoted to its development, and the Charter itself will be a statement of vision, articulating the content of America's New Public University. This week a draft of the Charter will go to the Trustees for their review, and afterward it will be reviewed extensively by faculty, staff, and students on all campuses. Although the timeframe is ambitious, we are expecting the Trustees to approve the Charter during their December meeting. By second semester of this year, we should be ready to translated the plan into implementation strategies at the campus and school levels. In a few minutes, Vice President Gerald Bepko will tell you more about the Strategic Directions process, past and future.

The specific initiatives that emerge from this process will be underwritten by funds that have been identified for the purpose. There are three sources for these funds. First, there is an amount equal to 1% tuition on each campus, approved by the Trustees and designated by the Trustees for the specific goals of the Strategic Directions Charter. These are base-budget continuing funds that stay on the campuses and will be administered by the campuses. Second, there is about $2.2 million, also continuing funds, that the Indiana Legislature has provided for university-wide initiatives. Funds from this source will be allocated competitively. Third, there is approximately $15 million in one-time funds to be made available over the next few years. The source of these funds is accrued interest from central

administrative accounts, and some reserves. I underscore that these funds will not in any way be garnered by reallocating existing resources. These are all incremental funds that are not now available to the campuses.

The competitive process for allocating these funds, including the 1% tuition portion, will be similar to the federal RFP and grants procedures. I have asked Vice President George Walker to oversee this process. He will be consulting with the UFC, the chancellors, deans, and others to develop the details of this allocation process.

The two documents that describe our Strategic Directions and map out the road ahead will be available the first week in October. The shorter document is designed as an overview, primarily for external audiences but also for those within the university community who want a brief summary. The longer document, based on the work of the task forces, sets out the specific recommendations we will need to follow in order to build on our excellence for the future.

Three basic dynamics run through the eight reports of the Strategic Directions task forces. One, we must maintain and enhance the excellence of our teaching and research, the stature of the university as a whole, and the strengths of our programs. Two, we must expand current partnerships and create new ones with schools, businesses, and other external organizations to share our knowledge for the benefit of the society of which we are a part. Three, we must show ourselves to be responsible stewards of the resources and ambitions invested in us.

Within these broad areas are several more detailed themes drawn from the recommendations of the task forces. One theme focuses on expanding the reward structures that support faculty excellence. If we are to reflect accurately and reward appropriately the work of faculty in the contemporary university, we must ensure that our reward structures address the full range of faculty activity. In addition to research and creative work, that range includes instruction, student advising, service on dissertation committees and faculty governance committees, service in partnerships with external organizations, and other activities that fill the professional lives of active and committed faculty members.

A second theme, reflected in the report of almost every task force, relates to student learning. This theme includes ways to improve the climate of learning on each campus, to increase learning opportunities off campus through internships and other forms of practical experience, and continue to increase the diversity of our student body, faculty, and staff, providing an environment that encourages success and achievement for all.

Several task force recommendations focus on defining the skills and qualities we expect of graduates of Indiana University, and encouraging experimentation in course design and teaching methods to help students take greater responsibility for their own learning. Another theme calls for demonstrable accountability through frequent and specific reports to our several publics about how well we are fulfilling our purposes in undergraduate education, student achievement, and partnerships

that assist the state—such as the partnership of the Center for Excellence in Education with a consortium of Indiana schools funded by Ameritech to enhance education through interactive video technologies.

Lastly, all the recommendations of the task forces assume, and some explicitly direct, that the university will organize itself in effective and efficient ways, that it will think as a high performance organization, along with the best organizations in the world. One issue to be resolved, however, relates to which enterprises should be centralized in the university in order to make them practical and economical, and which should be decentralized in order to give faculty and administrative staff maximum flexibility to lead change and innovation.

The problem of the one and the many

I want to spend my remaining time today on this issue—the knotty problem of how best to balance centralization and decentralization. These two terms, I know, are highly loaded ones at Indiana University, and they allude to some of the most vexing issues we face.

The essential question here is: To what extent should campuses, schools, departments, and support units, be independent in their decision-making, their operations, and their budgets, and to what extent should they be unified? This question was considered by the two of the Strategic Directions task forces. The result of their deliberation is not surprising. The task forces acknowledged that this is an

issue of consequence, but opinion was divided on how to resolve it. I have found that the university community itself is of divided opinion. Are we are one university or many? Is there commonality among our campuses, or are we a loose collection of autonomous units? I believe that we all suffer from the lack of clarity in this matter, and that our publics, too, are confused.

I have been using the concept that IU is a single, geographically distributed university. The important element about our unity is that we are not a system, but a single university that expresses common purposes but complementary missions on each of its campuses—two core campuses, and regional campuses that serve communities all over the state. Each campus is unique, each has a specific mission with respect to its constituencies, and each has specific areas of excellence which redound to the benefit and credit of the whole university. The balance between shared purposes and individual excellence is important and delicate, and it needs continual attention.

Bloomington is our flagship campus. It serves the state as the historic and traditional campus for students exiting high school and seeking a residential college experience. It is the home of many leading research-oriented departments and schools, and it has a long tradition as the main locus of Indiana University's national reputation.

The Indianapolis campus is an exemplary urban university, serving the state and its capital city with undergraduate education for traditional and nontraditional

students. The Indianapolis campus also has an enviable reputation as a comprehensive site for exceptionally high quality professional and graduate education, and research in health-related disciplines.

Together, Bloomington and Indianapolis form the core of the university, with significant national and international commitments in addition to local obligations. The core campuses are not entirely focused on Indiana. They serve Indiana by serving the nation and the world. And yet, as a public and state university, IU must have a clear focus on our state. This is the point at which Indiana University is advantaged by having—as essential parts of the whole—the regional campuses, which enable IU to serve directly almost all of the major areas of the state. These campuses are the pride of their communities. They are responsive to the intellectual, cultural, and economic interests of their communities, and to the needs of students who cannot, or prefer not to, leave the community for their college education. They also serve students who are exploring new options in their lives by providing two-year programs in the context of a four-year campus environment.

Together, all our campuses are incredibly synergetic. Most other universities, which lack the complementarity and reach of our campuses, struggle to satisfy simultaneously local, state, and national demands. We are advantaged in being a single university which can meet these conflicting goals through several campuses with distinctive missions. It is in this sense of multiple campuses with

complementary missions that we are a single university geographically distributed, and not a system of universities. The whole of Indiana University is much stronger than its individual parts, and it serves the state well precisely because each campus complements, rather than duplicates, the others.

Let me illustrate the point by discussing undergraduate admissions. The economic well-being of Indiana depends on increasing the proportion of citizens with a college education. But it does not follow that there should be uniformity of admissions criteria on all our campuses. No one should go barefoot, but not everyone fits into the same shoes. There should be a place at an Indiana University campus for every Hoosier who desires post-secondary education and has the background and motivation to succeed.

The issue of centralization vs. decentralization pertains also to another significant aspect of the university: our internal functioning and decision-making. At the extreme, we do not want to adopt a Stalinist approach, where everything is dictated from the center, with no creativity permitted elsewhere. Nor do we want a Balkan approach, where every unit competes ferociously with all others. Rather, we need to identify the areas where decentralized decision-making works best for the university, and those where centralized responsibility will be most effective.

The university exists for its academic missions. We must keep that truth before us in everything we do. With this axiom in mind, then, I suggest two guiding principles: first, in academic matters, all else being equal, decentralized

decision-making takes precedence; and second, in support services, all else being equal, centralized decision-making takes precedence. These principles are intended to be presumptive, not definitive. Each case must be examined on its merits, and these principles can be overridden on the basis of the specific nature of the activity.

Academic decision-making belongs with faculty, who know best the specific academic issues. A good example is the curriculum. Departments set the requirements for majors, and schools set the requirements for degrees, including the general education portion. But it is more complicated than that. Students would be disadvantaged if there were so little comparabililty among departments and schools that changing a major or degree program meant starting all over again. Therefore curriculum coordination is essential. Establishing the curriculum involves not simply decentralized authority, but rather a cooperative faculty effort across departments, schools, and campuses to ensure coherence in undergraduate curricula.

Let me comment on what I mean by 'coherence in curricula.' First, I mean commonality of academic purpose. Every student graduating with an Indiana University baccalaureate degree should meet the criteria for an educated person. Faculty members, acting collectively, should assure that all degree programs satisfy the specifics of these criteria—not in terms of course work, but in terms of general skills and competencies. The draft Strategic Directions Charter makes this suggestion, and the criteria developed a few years ago by the University Faculty

Council is a valuable point of departure. We must assure the commonality of our academic purpose through universitywide measurements and standards of accountability that demonstrate our stewardship of public resources.

Second, there is an obligation to maximize, within good pedagogical limits, transferability between programs. Students should not be penalized for changing majors—a few times, anyway—and so the general education portion of the curriculum should have the goal of maximizing comparability. I am not advocating a common core of courses, but rather practical compatibility across programs, and this, I believe, will benefit all our undergraduates.

The same holds true for consistency across campuses. One of the advantages offered to students by IU as one university ought to be that they can move readily between campuses. Students transferring from one campus to another within the same major should not find that identical courses already taken do not satisfy the requirements of the new department. This issue, too, was addressed by the Strategic Directions task forces, and we need to act on it.

Responsibility Centered Management is another important issue where decentralized academic decision-making takes precedence. RCM places authority in the hands of deans and directors by enabling them to have direct control over expenditures, and significant control over revenues. When RCM was implemented a few years ago, it was understood that refinements would be necessary. Indianapolis undertook a faculty-based review of RCM last year, and Bloomington is

in the process of one now, with the goal of making improvements.

Some in the university may want RCM to operate as a total free market, where competitive market forces affecting enrollment completely determine the success of schools and campuses. I disagree. RCM should operate as a managed market, where overall university values are taken into account when we measure the relative success of units.

As a case in point, one of the core values of Indiana University is that the arts and sciences are central to our mission at all campuses. This value needs to be inherent in the academic planning that undergirds RCM. Unfortunately, arts and sciences do not yet reap the same benefits from RCM as other schools. Some of the professional schools, in particular, mount a coordinated approach to RCM that benefits from their smaller size, greater coherence, and tighter administrative structure. I am not advocating a most-favored-nation status for the arts and sciences; at the same time, the arts and sciences are too important to our educational and research missions to put them in jeopardy. While it is true that the College at Bloomington and the Schools of Liberal Arts and Science at IUPUI will need to make some internal adjustments, it is nevertheless the case that adjustments will also need to be made in the way RCM functions in those schools.

All decisions in areas such as this, which affect the university significantly, must be undertaken in sunlight. It is one of the chief purposes of RCM to create an information-rich and open environment, where we can examine policies

forthrightly, and we will do that.

I underscore that a number of important benefits have already been realized from RCM: for example, course availability problems have been very greatly reduced, and deans of the schools have been able to achieve better resource allocation and be more creative in generating income. Overall, then, an intelligent decentralization can strengthen the university in its academic missions. This is first and foremost in my pair of guiding principles.

The second guiding principle indicates that for some support services, increased centralization may provide valuable efficiencies to facilitate our academic missions. I believe that as an institution we may have wandered too far from taking advantage of university-wide opportunities for efficiency and economy. The better we are at doing the business of the university, the greater the resources we can put into our primary missions of teaching, research, creative work, and professional service. Moreover, fragmentation is often detrimental to achieving our goals. Without doubt, it is increasingly essential for success in our extremely complex university that all of our activities take place in an atmosphere of teamwork and shared purpose.

Let me offer a couple of examples where centralization benefits everyone. First, budgetary and financial information is critical to good academic decision-making. The availability and consistency of this information are best when it is stored and accessed from a single site. A university-wide financial information

system is in the process of being implemented. A good part of that system is already up and running and some campuses, schools, and departments are already using it. It is still in need of improvement, and perhaps for this as well as other reasons, some units continue to maintain 'shadow' financial information systems of their own. If the university is successful in implementing the new financial system, the effort and dollars spent on financial management can be significantly reduced and the savings redirected to other priorities, most especially academic activities.

Other examples where centralization is most effective are the University Counsel Office—indeed in legal matters involving the university centralization is critical—the University Architects office, and the IU Foundation, especially in terms of coordination by its knowledgeable professional staff. We have the opportunity to move away from inefficient and duplicative decentralized services to take advantage of new strengths, here and elsewhere. We should take this route, however, only when the centralized service in fact brings improvements. We should never centralize a support service for the sake of centralization. The essential goal, of which we must not lose sight, is to maximize the resources that support our academic missions.

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Indiana University has a remarkable history of excellence and we are ready now to continue the process of change necessary for IU's excellence in the future. Our tradition of commitment in service to the State of Indiana, leadership in public

education, and research and creative work at the leading edge of contemporary thought form an unparalleled foundation. We have extraordinary resources for building on that foundation—resources of energy and creativity in our superb faculty and our talented students and dedicated staff across all campuses.

Over the past year, I have come to know a fair amount about the excellence of Indiana University. I am certain, however, that I have much more to learn: IU's excellence runs very wide and very deep. It branches through all sectors of the university, from faculty to staff to students to alumni. Our state is most fortunate indeed in the superb quality of this institution, in the outstanding education and range of services IU offers to undergird Indiana's economic, cultural, and social future. And IU's excellence has national and international benefits through cutting-edge research and creative work on all our campuses, in fields from health care to nuclear physics, from social work to optometry, from piano to poetry to painting.

The Strategic Directions Charter will help shape Indiana University to meet the challenges and realize the opportunities of a new era. We have every strength we need to sustain, support, and build on the excellence of Indiana University. We are now ready to plan and act forthrightly to forge those strengths into the shape of America's New Public University. I very much look forward to working with all of you on this grand undertaking.

Thank you.